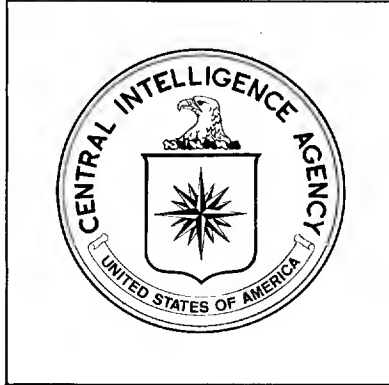


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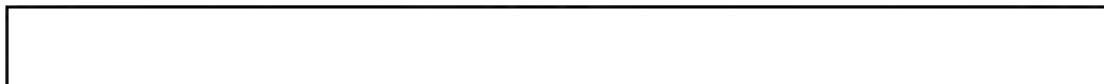
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## WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Turks Balk at Concessions

Turkish unwillingness thus far to follow through on commitments made during the last round of the intercommunal talks in Vienna has left Greek Cypriots frustrated and pessimistic over prospects for the September 8-9 round in New York.

The mainland Turks and Turkish Cypriot leader Denktash appear caught between a tactical need to appear reasonable and forthcoming in New York--with an eye to the US House of Representatives' position on the arms embargo--and the political situation in Turkey that makes concessions difficult.

US embassy officials in Nicosia believe that any concessions the Turks do finally offer in New York will be relatively minor, comprising only an initial bargaining position. Combined with Denktash's failure to produce on other Vienna commitments, such a position would further embarrass and embitter Greek Cypriot negotiator Clerides, who may have weakened his political position by making concessions at Vienna last month. It would also give substance to Cypriot President Makarios' doubts and skepticism of the Vienna talks and help justify a decision to submit the Cyprus issue to the UN General Assembly.

Denktash has not followed through on his promise to propose issues for discussion prior to going to New York. In addition, he has failed to produce on other Vienna agreements in exchange for Clerides' agreement to permit the nearly 9,000 Turkish Cypriots remaining in the south to move to the Turkish zone in the north. Denktash agreed to the return of many of the 800 Greeks expelled from the north. Turkish obstructionism, however, has resulted in no more than 230 being readmitted to the Turkish zone so far. Clerides has told UN officials that

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he is considering blocking the movement of the remaining Turkish Cypriots to the north if movement of Greek Cypriots is not speeded up.

Denktash has been hampered in meeting his Vienna promises by political restraints in his own Turkish Cypriot community and by Ankara's tight control of Cypriot developments.

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In Ankara, Prime Minister Demirel is reluctant to make any concessions on Cyprus that might leave him vulnerable in the partial Senate elections next month. Demirel's rightist coalition partner, Necmettin Erbakan, has taken a no-concession position on Cyprus and would be quick to turn any major conciliation gestures by Demirel to his own political advantage.

In a move that appears to be related to the arms embargo as much as to a Cyprus settlement, Ankara announced on September 3 that some of the 1,000 to 1,500 army commandos stationed on Cyprus since July 1974 would return to Turkey during the first week of September. The Turks probably hope that the withdrawal may help to offset their failure to make meaningful proposals on a territorial settlement, but it is doubtful that this gesture will dispel the pessimism in Greek Cypriot ranks in the few remaining days before the opening of the talks in New York.

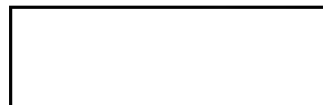
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ANNEX

Arms Standardization in NATO: The  
European Dilemma

Both the British and the Germans have indicated general support for an attempt to push ahead on arms standardization in NATO this fall. London and Bonn are wary, however, of a premature debate in the North Atlantic Council, since they fear this could provoke "knee-jerk negativism" in Paris.

London and Bonn consider French participation essential. The British and Germans want to prepare the ground with the French by quiet diplomacy, taking advantage of, among other things, the positive attitude of France's ambassador to NATO.

France is important to arms standardization efforts because the French armaments industry is one of the largest and most advanced in Western Europe. Without the French, Europe's chances of developing a sharing of arms production with the US is small.

The US embassy in Paris concluded recently that although a considerable body of French opinion has strong reservations about joining in a comprehensive NATO program for standardization, the current French leadership is more receptive to the idea than any French government since 1958.

Reasons for Cooperation

The French themselves have reason to be attracted to cooperation in arms production.

--France's military budget is subject to roughly the same economic and political pressures present in all other Western countries.

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--Within the French military establishment there appears to be some support for arms standardization in NATO.

--The F-16 episode may have persuaded some officials that France cannot count on defeating the US in direct arms sales competition and ought to settle for a slice of the pie.

The most important reason for French reluctance is the influence of the Gaullists who fear an erosion of French influence and authority resulting from dependence on others for arms. Many Frenchmen also fear that European cooperation would be exploited by the US to increase its own arms sales in Europe.

Some French officials oppose arms standardization out of concern that it is a disguised effort to alter Europe's--and thus France's--defense posture in order to serve NATO's strategy of "flexible response."

Both the British and the Germans, aware of French sensitivities, want to continue to work on standardization in NATO's Eurogroup without closing off the possibility of developing a "better mechanism"--presumably one with less explicit ties to NATO. Paris is studying Belgian ideas about forming a new European group--with more or less the same membership as the EC--to pursue arms cooperation.

Talks in September

The British and Germans have been asked for their views on a US proposal to begin discussions on standardization in September in the North Atlantic Council. France takes part in this council, which deliberates alliance political matters.

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While agreeing to discussions in the political forum, the British and Germans are more cautious about proposing French participation in an early effort to have the Defense Planning Committee establish and coordinate specific standardization initiatives and review procedures. The French do not take part in the defense committee, which coordinates military affairs for the alliance.

#### British Recommendation

The British emphasize the closeness of UK and US views on standardization, but recommend postponing a full-scale discussion of arms standardization in the North Atlantic Council until December and avoiding a direct NATO approach to the French before then. The details of the US proposal would thus not be discussed until a Eurogroup meeting on November 5, when the Eurogroup is expected to discuss how to respond to the US proposal.



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The French ambassador to NATO, himself an advocate of French participation in arms standardization, has suggested that Bonn aim at a Giscard-Schmidt meeting. The British would like to enlist the assistance of Belgium's ambassador to NATO.

#### Common Defense Market

NATO arms standardization would involve a common market for Atlantic defense, including arrangements for joint research, production, and

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procurement. Efforts to promote arms standardization are as old as the alliance's integrated command structure, but what intrigues the Europeans now is the authorization given the US by the Nunn amendment to buy some of its arms in Europe, provided they can be produced more efficiently there.

The Europeans do not minimize the political and technological obstacles lying in the path of such cooperation, but believe it is necessary as an incentive for European industrial integration.

Arms standardization is an aspect of NATO's overall goal of making better use of its members' resources and minimizing duplication within national defense programs and enhancing the credibility of NATO's conventional defenses.

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